



*Andrew Junkin  
CFA, CIMA, CAIA  
Managing Director*

December 3, 2007

Dr. Russell Read  
Chief Investment Officer  
California Public Employees' Retirement System  
400 Q Street  
Sacramento, CA 95814

Re: Revision of Policy on Global Proxy Voting and Principles of Accountable Corporate Governance

Dear Russell,

You requested Wilshire's opinion with respect to Staff's proposed changes to the Global Proxy Voting Policy and the Principles of Accountable Corporate Governance. Wilshire has evaluated the changes and recommends that the Policy Subcommittee approve the revisions.

The revisions in the Global Proxy Voting policy are intended to make the document more user friendly, by referencing a single document, the Global Principles of Accountable Corporate Governance, rather than both the Core Principles and the Global Principles. This represents a consolidation of the Core Principles (which are currently applied to domestic companies) and the Global Principles (which are applied to international companies). The revisions to the Global Principles document make it applicable to all global companies, not just international companies. Therefore, one document will serve as the reference document for CalPERS' Principles of Accountable Corporate Governance. In addition, the policy now conforms to the new policy template.

There are also a number of revisions and additions to the Global Principles. Wilshire has reviewed all of these changes and recommends them for adoption as they do reflect effective corporate governance practices (independent auditors, equity ownership for directors and executives, succession plans for the CEO and Board, etc.).

In short, Wilshire finds the changes to both documents to be reasonable and appropriate. We recommend that the Policy Subcommittee approve of these changes.

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Should you require anything further or have any questions, please do not hesitate to contact us.

Best regards,

A handwritten signature in black ink, appearing to read "Ann J. Smith". The signature is fluid and cursive, with the first name "Ann" and last name "Smith" clearly distinguishable.